



Report on Executive Directive 2019-8

Required by ED 2019 – 8, Section 7

Prepared for
The Honorable Gretchen Whitmer

Department of Technology, Management and Budget
Procurement
February 24, 2021

This report outlines the steps Procurement has taken to Implement the Executive Directive 2019-8 (ED) and the current status.

In-person Meetings

- Per the ED, which requires Procurement meet with organizations representing small businesses, Procurement met with Business groups, SBAM, and Procurement Technical Assistance Centers on 2/28/2019 & 3/5/2019. The purpose of this meeting was to discuss the ED and how to best implement it. Procurement targeted business groups to reach as many eligible enterprises as possible.
- 5/7/2019 The Mi Supplier Community (MiSC) program was formally announced at the Supplier Summit, pending approval of budget boilerplate language.
 - Procurement created the MiSC program to support the ED. It raises the public posting threshold for bids up to \$500,000 if agencies solicit at least three quotes from MiSC registered vendors. This shortens and simplifies the bidding process to make it easier for MiSC vendors to do business with the state. MiSC vendors include Michigan-based Small Businesses (per MCL 18.1268), Veteran or Service-Disabled Veteran Owned Businesses, Michigan Geographically Disadvantaged Business Enterprises, and Community Rehabilitation Organizations.
- 6/7/2019 Procurement met with Rep. Joe Tate, and the Veteran Business Round Table to discuss the impact and implementation of the ED.
- 12/20/2019 Procurement had a follow-up meeting to the 2/28 and 3/5 meetings to discuss how the ED is working and the MiSC program. This is a semi-annual supplier roundtable meeting.
- 4/30/2020 Procurement led a webinar with SBAM for their members regarding MiSC opportunities.
- 9/22/2020 Bi-annual MiSC Business Roundtable held with representatives of diverse business groups, rescheduled from April.
- 10/2020 Marketing strategy session with SBAM to discuss ways to increase MiSC participation.

Communications Sent

- 3/29/2019 – All vendors in SIGMA – Explained the ED, what businesses are eligible, and how to register within SIGMA.
- 3/29/2019 – Procurement Staff – Explained the ED and how it should be applied to bid awards.
- 7/8/2019 – All Vendors in SIGMA – Encouraged supplier registration, explained the ED and introduced the MiSC program.

- 7/15/2019 – Reminded suppliers to register and explained the ED and MiSC.
- 8/8/2019 – Procurement Staff – Updated procurement professionals on MiSC requirements and how it is to be used.
- 1/31/2020 Procurement sent out a new communication on MiSC to all vendors which resulted in dozens of e-mails and calls to Supplier Relations team who helped clarify and register vendors.
- 3/20/2020 Procurement reached out to attendees from roundtable meeting to ask for their assistance in finding suppliers of items needed for COVID-19 response.
- 12/4/2020 MEDC and Procurement hosted a webinar regarding MiSC, how to sign up, how can we help, etc.

Next Steps

- April-May Next Supplier Roundtable Meeting – Exact Date TBD.
- Q2 2020, Central Procurement will be working with agencies to target some purchases to use the MiSC Program with.
- Subcontracting Opportunities – Encourage companies to sub to GDBE's.
- Internal / External Marketing regarding MiSC.

Reporting

- Currently 328 suppliers are registered for the MiSC program in SIGMA.
- This reporting only captures those businesses who have identified themselves as a GDBE within the State's SIGMA System.

	2020
Spend with GDBEs*	\$191,647
Total Addressable Spend**	\$2,986,835,841
Percent of Spend with GDBEs	%0.0064
Spend with registered GDBEs + 12 unregistered large GDBEs***	\$187,397,932
Total Addressable Spend**	\$2,986,835,841
Percent of Spend with GDBEs	6.274%
ED 2019-8 Established Goal	3%

*This number reflects vendors *registered* within SIGMA as a Michigan Based business *and* one of the following: HUBZone Certified, Principal Place of Business is located within a Qualified Opportunity Zone (QOZ), or a majority of employees live or work within a Qualified Opportunity Zone. Previously reported numbers showing higher percentages of GDBE spend assumed all Michigan Based businesses located within a QOZ were registered within SIGMA as such. Spend with those business has not fundamentally changed, but the shift to reflecting the reality of registrations in SIGMA shows a much different number.

**Addressable Spend excludes healthcare/health insurance spend because most of it is pass through dollars, and the inclusion of these funds greatly skews spend data. This is exclusion is typical in all CPS reporting.

***If the spend from 12 large eligible GDBE's that are not registered is added in, the numbers change dramatically. The 12 GDBE's mentioned are:

COMPANY	2020 SPEND
CHRISTMAN COMPANY	\$88,093,595
SUN VALLEY FOODS COMPANY	\$33,020,955
WSP MICHIGAN INC.	\$16,707,123
GUD MARKETING INC	\$10,795,634
HAWORTH INC	\$7,300,888
KALAMAZOO PROBATION ENHANCEMENT PROGRAM	\$7,232,248
DEWPOINT INC	\$6,695,044
RIPMAN CONSTRUCTION COMPANY INC	\$6,085,604
PECKHAM VOCATIONAL INDUSTRIES INC	\$5,704,510
SAMARITAS	\$5,040,938
CHILDRENS CENTER OF WAYNE COUNTY	\$310,107
WSP MICHIGAN INC.	\$219,638